



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 11 2017

Glenn M. Willard, Esq.
Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037-1350

RE: MURs 7005 and 7056
Adam H. Victor
TransGas Development Systems, LLC
Transnational Management Services II LLC

Dear Mr. Willard:

On August 3, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients, Adam H. Victor and TransGas Development Systems, LLC, in settlement of violations of 52 U.S.C. §§ 30116(a) and 30122, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the Commission has closed the file in each matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the Respondent and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that your clients shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roy Q. Luckett", is written over a horizontal line.

Roy Q. Luckett
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
FEDERAL ELECTION
COMMISSION

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In the matters of)

Adam H. Victor)

TransGas Development Systems, LLC)

MURs 7005 and 7006 OF GENERAL
COUNCIL

CONCILIATION AGREEMENT

These matters were initiated by signed, sworn, and notarized complaints by Tyler Erdman. The Commission found reason to believe that Adam H. Victor and TransGas Development Systems, LLC ("Respondents") violated 52 U.S.C. §§ 30116(a) and 30122 by making excessive contributions and contributions in the name of another.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Adam H. Victor is the sole member of TransGas Development Systems, LLC ("TGDS"), a single-member LLC that is not treated as a corporation by the Internal Revenue Service.

2. On March 29, 2011, Victor contributed the maximum allowable amount to Manchin for West Virginia ("Manchin Committee") for both the 2012 Primary and General Elections, that is, \$2,500 per election. The Manchin Committee is the principal campaign committee of Joe Manchin.

3. Victor instructed Randall Harris, a business associate, to contribute \$2,500 to the Manchin Committee, with the express understanding that Victor would reimburse him for making that contribution. Harris wrote a \$2,500 personal check payable to the Manchin Committee, which disclosed receiving the contribution on December 30, 2011. At Victor's direction, Harris's contribution to the Manchin Committee was reimbursed by a \$2,500 check payable to Harris, drawn on the bank account of TGDS and dated December 29, 2011.

4. Around the time of the November 11, 2011, fundraising event in New York City supporting then-Presidential candidate Herman Cain, Victor contributed the maximum allowable amount of \$2,500 to Friends of Herman Cain, Inc. ("Cain Committee") for the 2012 Republican Primary Election. The Cain Committee is the principal campaign committee of Herman Cain. The Cain Committee disclosed its receipt of this contribution on January 17, 2012.

5. Around the time of the November 11, 2011, Herman Cain fundraiser, Victor instructed his employee Marta Dani to contribute \$2,500 to the Cain Committee with the express understanding that Victor would reimburse her for making the contribution. Dani wrote a \$2,500 personal check payable to the Cain Committee, which disclosed receiving the contribution on November 9, 2011. At Victor's direction, Dani's contribution to the Cain Committee was reimbursed by a \$5,000 check payable to Dani, drawn on the bank account of TGDS and dated on or about November 9, 2011.

6. Around the time of the November 11, 2011, Herman Cain fundraiser, Victor instructed his employee Nana Yoshioka to contribute \$2,500 to the Cain Committee with the express understanding that Victor would reimburse her for making the contribution. Yoshioka wrote a \$2,500 personal check payable to the Cain Committee, which disclosed receiving the contribution on January 17, 2012. At Victor's direction, Yoshioka's contribution to the Cain Committee was reimbursed by a \$2,500 check payable to Yoshioka, drawn on the bank account of TGDS and dated November 9, 2011.

7. Around the time of the November 11, 2011, Herman Cain fundraiser, Victor used funds in the Adam Victor Grantor Trust, of which Victor is the sole beneficiary and trustee, to purchase five bank checks from Signature Bank numbered 111004934 through 111004938, each in the amount of \$2,500. After Victor presented the five checks to the Cain Committee, a representative of that committee subsequently sought clarification as to the identity of the five contributors. Victor had a representative inform the Cain Committee that the contributors were his wife and his four children, and each contribution was in the amount of \$2,500. Victor's wife and four children did not provide the funds to make these contributions. The Cain Committee disclosed the receipt of these contributions in the names of Victor's wife and four children on January 17, 2012.

V. The pertinent law in this matter is as follows:

1. Under the Federal Election Campaign Act of 1971, as amended ("the Act"), an individual may not make a contribution to a candidate with respect to any election in excess of the limits at 52 U.S.C. § 30116(a)(1)(A), which were \$2,500 per election during the 2012 election cycle. The contribution limits are applied separately with respect to each election. See 52 U.S.C. § 30116(a)(6).

2. A contribution by an LLC with a single natural person member that does not elect to be treated as a corporation by the Internal Revenue Service pursuant to 26 C.F.R. § 301.7701-3 shall be attributed only to that single member. *See* 11 C.F.R. § 110.1(g)(4).

3. The Act further provides that no person shall make a contribution in the name of another person. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i).

4. A violation of the Act is knowing and willful if the "acts were committed with full knowledge of all the relevant facts and a recognition that the action is prohibited by law."

VI. Respondents admit to the following violations of the Act:

1. Adam H. Victor knowingly and willfully violated 52 U.S.C. § 30116(a) by making excessive contributions.

2. Respondents knowingly and willfully violated 52 U.S.C. § 30122 by making contributions in the name of another person.

VII. Respondents will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Sixty-Five Thousand Dollars (\$65,000), pursuant to 52 U.S.C.

§ 30109(a)(5)(B). The civil penalty will be paid as follows:

- a. A payment of Thirty Five Thousand Dollars (\$35,000) is due no more than thirty (30) days from the date this Agreement becomes effective;
- b. Thereafter, four consecutive monthly installment payments of Seven Thousand Five Hundred Dollars (\$7,500) each;

- c. Each such installment shall be paid within thirty (30) days of the due date of the previous installment;
- d. In the event that any installment payment is not received by the Commission by the fifth day after which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the Respondents. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

2. Respondents will cease and desist from violating 52 U.S.C. §§ 30116(a) and 30122.

3. Respondents waive any rights he may have to a refund of any of the illegal contributions discussed in this agreement. Respondents shall also seek disgorgement of all such contributions from all recipient candidates and committees to the U.S. Treasury.

VIII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

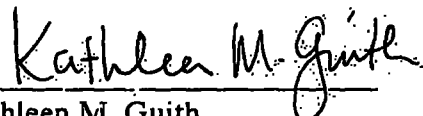
IX. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

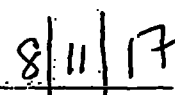
X. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This conciliation agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

EY:


Kathleen M. Guith
Associate General Counsel
for Enforcement


Date

FOR THE RESPONDENTS:


Adam H. Victor


Date